

BEFORE THE

APR - 8 1993

**Federal Communications Commission**FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20554

In re Application of  
MILFORD BROADCASTING CO.  
SHARON A. MAYER

For Construction Permit  
for a new FM Station on  
Channel 271C2  
Milford, Iowa

) MM Docket No. 92-317  
)  
) File No. BPH-911003MI  
)  
) File No. BPH-911004MG  
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To: Honorable Edward Luton  
Administrative Law Judge

**REPLY TO OPPOSITION**

Sharon A. Mayer ("Mayer"), by her attorneys, hereby submits her reply to the opposition filed March 29, 1993 by Milford Broadcasting Company ("MBC") to Mayer's motion to enlarge issues against MBC involving MBC's financial qualifications.

1. In opposing Mayer's motion, MBC focuses on delineating Kevin Galbraith's cash assets and contends that Mr. Galbraith does not have to identify with specificity the marketable securities included in his base or alternate funding plans. In MBC's view, Mr. Galbraith needed only to review these securities and determine their value; he did not need to list them under the Commission's current requirements.

2. Mayer submits that MBC's interpretation of the Commission's current requirement is incorrect. The Commission's

Application for Construction Permit for Commercial Broadcast Station, 4 FCC Rcd 2853, 3859 (1989), recon. denied, 5 FCC Rcd. 7267 (1990). Those instructions required that a person loaning funds to an applicant must have a financial statement or balance sheet showing current and liquid assets and all liabilities. Id. at 3864. These current and former criteria were interpreted to require delineation of stocks or bonds. The cases cited by Mayer confirmed that requirement as embodied in the Form 301 instructions then and now. Ms. Galbraith's funding plans clearly did not comply with that requirement.

3. Moreover, Mr. Galbraith's statement attached to MBC's opposition still does not meet this requirement. Instead, he states that he reviewed information supporting the value of marketable securities aggregated in both MBC's basic and alternate funding plans and this information confirmed the amounts specified for marketable securities. This statement tells the Commission no more than what was already available, the total value of unidentified securities. It should be remembered that MBC is not a sole proprietorship, but is a corporation with two other stockholders holding 98% of the voting stock of the corporation. Under these circumstances, it is incumbent on those stockholders to be familiar with the ability of a personal lender to meet its lending commitment. Without delineation of the lender's marketable securities that determination is impossible to make.

4. The issues requested by Mayer represent a legitimate inquiry into MBC's proposed funding based on what Mr. Galbraith's

source of funds memoranda did not reflect and still do not specify in terms of his marketable securities. That deficiency has not been cured by MBC's reply. In consequence, the addition of the requested issues is warranted.

Respectfully submitted.

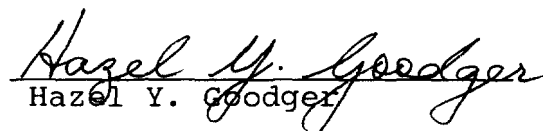
CERTIFICATE OF SERVICE

I, Hazel Y. Goodger, Secretary in the law firm of Tierney & Swift, hereby certify that I have on this 8th day of April, 1993, sent by first-class, postage prepaid, copies of the foregoing "Reply To Opposition" to the following:

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